

## Message Text

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ACTION EA-12

INFO OCT-01 ISO-00 IO-13 SP-02 ICA-11 AID-05 EB-08  
NSC-05 TRSE-00 SS-15 STR-07 OMB-01 CEA-01 CIAE-00  
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-----073439 201236Z /23

R 190336Z APR 78

FM AMEMBASSY MANILA  
TO SECSTATE WASHDC 4489  
INFO AMEMBASSY JAKARTA  
AMEMBASSY KUALA LUMPUR  
AMEMBASSY BANGKOK  
AMEMBASSY SINGAPORE

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E.O. 11652: N/A

TAGS: EIND, ASEAN, EGEN, RP

SUBJ: ASEAN COIME MEETING IN MANILA, APRIL 11-13, 1978

1. SUMMARY: THE ASEAN COMVITTEE ON INDUSTRY, ENERGY AND MINERALS MET IN MANILA APRIL 11 TO 13, 1978 UNDER THE CHAIRMANSHIP OF SECRETARY OF INDUSTRY VICENTE PATERNO. IT SPENT MOST OF ITS TIME ON THE FIVE ASEAN INDUSTRILA PROJECTS, CONTINUED DRAFTING OF THE VARIOUS INSTRUMENTS FOR THE FIVE INDUSTRIAL PROJECTS, AND DISAGREED ONTHE EXCLUSION OF FOREIGN INVESTORS FROMTHE ASEAN CCI GUIDELINE FOR INDUSTRIAL COMPLEMENTATION. THE ASEAN ECONOMIC MINISTERS WILL LIKELY MEET MAY 2-3 IN JAKARTA. END SUMMARY.

2. THE COIME MEETING WAS NOTABLE FOR ITS TECHNICAL DETAIL AND GRIND AS IT SPEND MOST OF ITS TIME ON THE FIVE INDUSTRIAL PROJECTS. IT DID NOT FINISH ITS DELIBERATIONS UNTIL 5:30 A.M. ON APRIL 13. THE GOI ANNOUNCED THAT IT WAS GOI#PZTLHKCIPHT ITS PROJECT (UREA) WHILE THE MALAYSIAN

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UREA PROJECT WAS PASSED BYTHE EXPERTS GROUP AND APPROVED BY THE COIME. THE THAI PROJECT (SODA ASH) IS NOW THE SUBJECT OF A FEASIBILITY STUDY BEING DONE BY A JAPANESE TEAM AND FUNDED BY ADB. THIS STUDY WILL BE COMPLETED IN SEPTEMBER.

3. THE SINGAPOREANS DID NOT SAY MUCH ABOUT THEIR PROJECT

(DIESEL ENGINES), AS THEY BELIEVE THE LESS SAID THE BETTER AND SINCE THEIR GUIDELINES WERE SET BY THE ASEAN ECONOMIC MINISTERIAL MEETING LAST YEAR AT PATTAYA. THE GOS HAS INVITED OFFERS FROM INDUSTRIALIZED COUNTRIES AND HAS RECEIVED THOSE IT EXPECTED OR WANTED EXCEPT FOR ONE NOTABLE EXCEPTION.

4. PATERNO PRESENTED A DETAILED DESCRIPTION OF THE PHILIPPINE SUGAR-PHOSPHATE PROJECT, STATING THAT THE GOP IS STILL COMMITTED TO IT AND HAS ASKED THE JAPANESE TO CONDUCT AND FUND A FEASIBILITY STUDY OF IT. (OUR JAPANESE EMBASSY COLLEAGUES EARLIER TOLD US THIS). OUR CONTACTS IN ASEAN EMBASSIES WHO ATTENDED MEETING STATE THEIR IMPRESSION THAT THE PHILIPPINES WAS DRAGGING ITS FEET ON THE PROJECT AND CONFIRMED INITIAL GOP STUDY THAT PROJECT IS NOT VIABLE.

5. THE COIME PARTICIPANTS CONTINUED THEIR DRAFTING OF THREE INSTRUMENTS WHICH WILL GOVERN THE ESTABLISHMENT AND OPERATIONS OF THE FIVE PROJECTS. THESE ARE THE BASIC AGREEMENT (GENERAL PRINCIPLES), A SUPPLEMENTARY AGREEMENT ON EACH INDIVIDUAL PROJECT (A PARTNERSHIP AGREEMENT), AND A JOINT VENTURE AGREEMENT (FOR INCLUSION OF FOREIGN INVESTORS OR PARTICIPATION). GOING OVER THESE DRAFTS CONSUMED A GREAT DEAL OF TIME.

6. THE OTHER MAJOR TOPIC DISCUSSED WAS THE ASEAN CCI GUIDELINES ON INDUSTRIAL COMPLEMENTATION. THE MAJOR LIMITED OFFICIAL USE

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ISSUE WAS THE PHILIPPINE DESIRE TO EXCLUDE THE PARTICIPATION OF FOREIGN-OWNED COMPANIES IN FAVOR OF THOSE OWNED BY "ASEAN CITIZENS". THIS IS THE GUEVARA PAPER REPORTED IN SINGAPORE 1708. SINGAPORE VIGOROUSLY OPPOSED THIS EXCLUSION CLAUSE, SUPPORTED QUIETLY BY MALAYSIA. IN ADDITION, ON THE DEFINITION OF AN "ASEAN CITIZEN", THE GOS WANTED TO INCLUDE FORMER CITIZENS, CONSEQUENTLY, THERE WAS NO DECISION ON THIS ISSUE WHICH HAS BEEN REFERRED TO THE ASEAN ECONOMIC MINISTERS (AEM) MEETING. AEM MEETING WOULD PROBABLY BE HELD MAY 2-3 IN JAKARTA.

7. COMMENT: THE COIME MEETINGS ARE NOTED FOR THEIR ATTENTION TO DETAIL AND THE RETICENCE ATTENDING THEM. GOP AND OTHER OFFICIALS TEND TO BE SHY ABOUT DISCUSSING THE PROJECTS AND COIME ITSELF. WE BELIEVE THIS IS ATTRIBUTABLE TO A FEAR OF FAILURE, A PHRASE WHICH WAS SUGGESTED BY AN ASEAN EMBASSY OFFICER HERE. THIS FEELING MAY ALSO EXPLAIN THE ATTENTION TO DETAIL, THAT IS, TO MAKE SURE EVERY EYE IS DOTTED AND TEE CROSSED TO ENSURE SUCCESS.  
STULL

NOTE BY OC/T: (#) AS RECEIVED

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## Message Attributes

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**Channel Indicators:** n/a  
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**Concepts:** INDUSTRY, ENERGY, COMMITTEE MEETINGS, MINERALS  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014